State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Tony Delfin Acting Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-802 Administrative Application Reference No. pMAM1626636891

September 23, 2016

Cimarex Energy Company Attention: Ms. Hope Knauls

Cimarex Energy Company (OGRID 215099) "Applicant" is hereby authorized to surface commingle oil and gas production from diversely owned federal leases from the Forty Niner Ridge; Bone Spring Pool (Pool code 24720) located in Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico:

Lease: Federal lease NMNM-114978

E/2 of Section 23, and entire Section 25, Township 23 South, Range 30 East, Description:

NMPM

Wells: Forty Niner Ridge 23 Federal Well No. 1H 30-015-40615

> Forty Niner Ridge 23 Federal Well No. 2H 30-015-40649 Forty Niner Ridge 25 Federal Well No. 1H 30-015-41388

> Forty Niner Ridge 25 Well No. 222H 30-015-41793

Lease: Federal lease NMNM-114356

Description: Entire Section 24, Township 23 South, Range 30 East, NMPM

Wells: Sandy Federal Well 20H 30-015-41426 30-015-41791

Sandy Federal Well 21H Sandy Federal Well 22H 30-015-41792

The combined project area for these wells include the E/2 of Section 23, SW/4 NE/4, N/2 NE/4. W/2 NW/4, SE/4 NW/4, and SW/4 of Section 24, and SE/4 NW/4, W/2 NW/4, SW/4, and SW/4 SE/4 of Section 25.

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Forty Niner Ridge Drill Island central tank battery (CTB) in Unit P of Section 23, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico.

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Production from the subject wells shall be determined as follows:

The oil and gas production from each well shall be continuously measured with allocation meters before commingling with production from other wells. The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

After initial notification, future wells that will produce from the pools and leases approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

This Order supersedes Administrative Order PLC-424, issued on July 17, 2015.

This approval is subject to like approval from Bureau of Land Management before commencing commingling operations.

The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.

DAVID R. CATANACH

Director

DRC/mam

cc: Oil Conservation Division - Hobbs

Bureau of Land Management - Carlsbad